

California Bay-Delta Public Advisory Committee (BDPAC)
Water Supply Subcommittee January 31, 2007 Meeting Summary
Bonderson Building Hearing Room
9:00 a.m. to 12:00 noon

Introductions

The following Water Supply Subcommittee members and alternates attended this meeting: Steve Hall, Jerry Meral, Glenn Farrel, Brent Watthel, Bernice Sullivan, Marguerite Naillon, Joan Maher, and Alan Zepp.

The meeting focused on the following agenda items:

1. Storage and Conveyance Budget Priorities Subcommittee Recommendations on the Allocation of Resources for FY 2008-09
2. Conveyance Status Reports: Delta Cross Channel, Through Delta Facility, and Franks Tract - Part 1
3. NODOS Initial Alternatives Information Report

1. Storage and Conveyance Budget Priorities Subcommittee Recommendations on the Allocation of Resources for FY 2008-09

- A. How federal and state budget processes work --** Presenters: Kathie Kishaba (DWR) and Allan Oto (Reclamation)

Federal Budget Process

Staff presented the federal budget process and timeline (See the presentation materials). The federal fiscal year (FY) 2007 budget continuing resolution will be clarified in February; currently FY's 2008 and 2009 budgets are embargoed (that is, Reclamation cannot discuss them with the Public). The FY 2009 budget is in regional preparation until about May and can take into account subcommittee input. In May, the regional office forwards its proposed Budget to the Commissioner's Office in Washington, D.C. for approval; then to the Department of the Interior; and in November to the Office of Management and Budget. The President releases his budget to congress in February 2008. The regional Reclamation office will begin formulating the FY 2010 budget later in 2007.

Comments:

The subcommittee commented that the timeframe for its input to the federal budget process is May 2007. A member of the audience commented that Central Valley Project (CVP) contractors have an opportunity to comment on the "dream" federal budget that assumes unrestricted funds. However, the CVP contractors want to review the post-Presidential budget to give additional input to Congress. There was a question on potential spending restrictions under the current federal continuing resolution. The most significant one constrains current year federal department spending to 2006 levels. On the matter of Reclamation's budget coordination with DWR: it is close to 50/50 cost sharing on surface storage, and staff clarified that the cost sharing arrangement is covered in an Agreement In Principle with a 50/50 cost share for the overall program (but not for individual projects) since the signing of the Record of Decision (ROD) until the planning studies are completed.

State Budget Process

The state budget process for the general fund as well as for general obligation bonds starts 18 months before enactment of the budget. In any year, work is being performed under the current budget and the next budget year is being planned. The discussion also included an explanation of budget change proposals, spring finance letters, and the May revise. This process is separate from the process for the expenditure of revenue bonds: the process for revenue bonds is continuous for DWR, which works on a continuous basis with SWP contractors.

Comments:

The Subcommittee noted that the timeframe for input to the state budget and the expenditures of general obligation bonds is about the same timeframe as for the federal budget—up until May. Subcommittee input into the expenditures of revenue bonds is continuous and can be made at any time during the fiscal year.

B. How funds for storage and conveyance were allocated last fiscal year -- Presenters: Steve Roberts (DWR) and Allan Oto (Reclamation)

The state and federal funding levels for both the surface storage investigations and for the conveyance program for both last and the current fiscal year was presented (See the presentation materials). A cost sharing Agreement In Principle between DWR and Reclamation establishes a 50/50 cost share over the entire program but not for individual projects. The State has paid for most of the work on North-of-the-Delta Offstream Storage and In-Delta Storage studies. The federal government has paid most of Shasta Lake Water Resources Investigation and the Upper San Joaquin River Basin Storage Investigation (USJRBSI) studies. Both have paid about 50/50 on the Los Vaqueros Expansion Project. The agreement covers the study period from the signing of the ROD until the planning studies are completed.

Comments:

Staff agreed that it would be helpful if the subcommittee provided qualitative input on federal spending priorities.

C. Subcommittee recommendation for future budget year(s) -- Presenter: Mark Cowin (DWR)

Cowin discussed the history of the Governor's infrastructure package, including Propositions 1E and 84.

Comments:

The subcommittee commented that it is hard to make recommendations on surface storage projects generally, and their funding and priority in particular, without knowing with certainty what will happen with Delta conveyance. Don Kurosaka (DWR) specifically discussed that for The South Delta Improvements Project (SDIP), DWR must resolve fishery issues, although the timeframe for resolving these is unknown.

The subcommittee discussed Auburn Dam and the recently released feasibility study. Staff clarified that the unexpected high cost is a result of using the outdated 1979 design in order to produce the report in the timeframe needed.

Action Items:

The Subcommittee requested a presentation by DWR and National Oceanic and Atmospheric Administration's (NOAA) Fisheries on the SDIP at the next meeting if possible, specifically:

- DWR staff to present the SDIP status, and
- NOAA Fisheries service staff to discuss their inability to issue a biological opinion on the flow control barriers within the current schedule.

2. Conveyance Status Reports: Delta Cross Channel (DCC), Through Delta Facility (TDF), and Franks Tract-Part 1 -- Presenter: Don Kurosaka (DWR)

Don Kurosaka presented the budget for the conveyance program and its individual projects (see the presentation). Franks Tract is currently in the CALFED water quality program; it developed out of the Ecosystem Restoration Program. The presentation covered Franks Tract and Delta Cross Channel/through Delta Facility study objectives, schedules, and Franks tract construction cost estimate. Project objectives include improvement of export water quality and resolution of Delta fisheries concerns.

Comments:

The subcommittee asked about federal matching funds for these projects; Kurosaka responded that there were none. The audience recommended incorporating boat locks into program projects. The subcommittee also wanted to see a cost estimate for the TDF when it was available.

Action Item:

DWR staff will provide a copy of the cost estimate of the TDF to the subcommittee when it is available.

3. NODOS Initial Alternatives Information Report (IAIR) - Presenter: Don Rasmussen (DWR)

Rasmussen presented on the investigation status, planning process and schedule, and Initial Alternatives Information Report (finished last summer) for North-of-the-Delta Offstream Storage (see the presentation). The status of the investigation includes conducting engineering studies, environmental surveys, and benefits assessments. Next steps in the planning process are completing these as a part of completing the plan formulation report and then completing a feasibility report and EIS/EIR: this discussion included covering the project's many problems and needs, its objectives (both primary and secondary), and measures screening. Rasmussen's presentation then covered key features of Sites Reservoir (the only measure currently retained) and the three focus alternatives: environmental, water supply, and water quality. Cowin finally

stated that information on the impacts of global climate change and a sensitivity analysis on the pumps are still being developed.

Comments:

Reclamation was asked how "tweaking" primary and secondary objectives affects the federal planning process; Reclamation staff replied that this would not require reformulation. Next, the audience and DWR staff clarified that federal cost sharing on this project is about 90% state-funded.

Public Comment:

There was no additional public comment.

Action Item:

Subcommittee chair, Jerry Meral, asked for a CD of the NODOS IAIR.

Next Meeting:

The next subcommittee meeting is tentatively scheduled for April 11, 2007. The subcommittee requested that a presentation on the SDIP be given at the meeting, specifically:

- by DWR staff as a part of the conveyance program, and
- by NOAA Fisheries staff on their inability to issue a biological opinion on the flow control barriers